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Representative **Sheila Klinker**

Innkeeper's tax revenue update

This session I authored a bill that extends the period of time from December 2006 to December 2012 that a share of Tippecanoe County Innkeeper's tax revenue must be distributed as a grant to a nonprofit corporation that leases land in Prophetstown State Park for noncapital projects in the park. Under current law, at least 40 percent of the Greater Lafayette Community Development Corporation's share of the innkeeper's tax revenue is distributed as a grant for a land lease by a nonprofit corporation in Prophetstown State Park. The innkeeper's tax generated approximately \$1.5 million in revenue during 2005.

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Helping Hoosier Families



Property Tax Relief



2006 Session Report

Indiana tightens eminent domain law

Improving protection for homeowners

In 2005, the U.S. Supreme Court ruled that local governments can use the process of eminent domain to take private property, such as homes and businesses, in order to hand it over to a private developer.

Indiana lawmakers immediately began working on a plan to protect the property rights of Hoosiers. Months of bipartisan work has resulted in legislation that tightens Indiana's eminent domain laws and restricts the ability of most government units to seize private property and transfer it to private entities for development.

Rep. Klinker speaks during a House Resolution.

The new legislation sets strict standards for property acquisition through eminent domain, and limits its use to only truly blighted and decaying properties. This will prevent a developer from being able to have a local government use eminent domain to seize your property simply because they think it might be a good spot for a new strip mall.

It received unanimous support, but there are still potential problems that need to be addressed. Most troublesome is the fact that the Indiana Department of Transportation (INDOT) is exempt from complying with the new restrictions.

There are concerns that INDOT will use this exemption to seize property for some of the road privatization projects proposed by the governor, such as the Interstate 69 extension or other unannounced projects in other areas of the state.

Additional Property Tax RELIEF

At the start of the 2006 session of the Indiana General Assembly, property tax relief was identified as a priority by members of both parties. When the smoke cleared, we were able to provide some relief for homeowners.

This year, about 1.5 million homeowners will receive a one-time increase in the state homestead credit from 20 to 28 percent. This credit will provide around \$100 million in property tax relief in 2006.

In 2007, the state homestead deduction will increase from \$35,000 to \$45,000 for one year only. This relief will provide an additional \$127 million in relief for homeowners.

Starting in 2008, the state will gradually phase in a cap on property tax bills at two percent of a home's value. This cap would apply to all classes of property in Indiana, starting in 2010.

While this relief is welcomed, it still does not make up for the increases in local property taxes that were passed on to home and business owners through the biennial state budget approved in 2005 by the leadership.

Improvements to Education

Education remains one of the most important topics we address at the Indiana General Assembly, and the 2006 session saw several improvements, as much for what we didn't pass as what we did.

I co-authored **House Bill 1162** which would increase the tax deduction on a College Savings plan to \$1,000--making it one of the best in the



country. House Bill 1116 was incorporated into **House Bill 1029** which now has two provisions and also provides that bonds may be issued by a state university for equipment, software, and related purposes (instead of capital projects) without the approval of the

General Assembly if, after the issuance, the total amount of bonds outstanding will not exceed \$10,000,000. The bill also increases the cap on the amount of bonds that a state university may have outstanding for qualified energy savings projects from \$10,000,000 to \$20,000,000. The bill authoriz-

es Purdue University to issue bonds up to \$60 million for certain repair and rehabilitation expenses and state universities to issue bonds for certain technology expenditures.

New legislation reinstates Indiana's Mentor Teacher Program, which provides professional support to veteran teachers who help in professional development of younger colleagues. Another bill offers high school dropouts the chance to earn their diplomas through the Fast Track program.

To help schools, I co-authored House Joint Resolution 3 that will allow the common fund of a school to be used for kindergarten, pre-kindergarten and other early childhood education programs.

During the 2006 session, there was an attempt to move the ISTEP test from the fall to the spring of the school year. This move was opposed by Superintendent of Public Instruction Suellen Reed and others who felt the change was too costly and that it would not help in identifying students having problems and providing remediation for them. After much debate, it was decided to make ISTEP reforms the subject of a comprehensive study by the Indiana Department of Education.

Session Highlights



A summary of new legislation

PRENATAL HEALTH

Greater Lafayette has been actively involved in the issue of prenatal health for several years. As a result of the Stopping Child Abuse and Neglect Summit at Ivy Tech in November, Democrats and Republicans came together to pass House Bill 1314, which I authored and Rep. Jeff Thompson co-authored. The legislation requires the Indiana State Department of Health to analyze collected data and statistical reporting on the use of drugs, alcohol and tobacco by pregnant women. The department will submit its report to the Legislative Council and the Health Finance Commission before October 1 of this year. The Legislature will review this issue during the 2007 session. Wishard Hospital's Dr. James J. Nocon developed a highly successful treatment program we hope to replicate throughout Indiana to help mothers break the bonds of addiction, so they can better care for their children and provide a loving home.

FUNERAL PROTESTS

New legislation increases the penalty for disorderly conduct occurring near the location of a funeral,

memorial service, or viewing. The bill is largely in response to a group from Kansas that has chosen to stage protests at the funerals of Hoosier soldiers killed in action, using the occasion to make a political statement.

MILITARY RELIEF FUND

We established the military relief fund to provide grants for Hoosiers whose family members have been called into duty since September 11, 2001. A portion of the money for the fund will be raised through the sale of a new Hoosier veteran license plate created through the bill.

SCHOOL SAFETY

We have attempted to ensure the safety of school children and to protect school employees by making possession of a knife on school property or a school bus a Class B misdemeanor, punishable by up to a 180-day prison term or a fine of \$1,000.